

107TH CONGRESS
1ST SESSION

S. 603

To provide for full voting representation in the Congress for the citizens of the District of Columbia, to amend the Internal Revenue Code of 1986 to provide that individuals who are residents of the District of Columbia shall be exempt from Federal income taxation until such full voting representation takes effect, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 23, 2001

Mr. LIEBERMAN (for himself and Mr. FEINGOLD) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for full voting representation in the Congress for the citizens of the District of Columbia, to amend the Internal Revenue Code of 1986 to provide that individuals who are residents of the District of Columbia shall be exempt from Federal income taxation until such full voting representation takes effect, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Taxation Without
5 Representation Act of 2001”.

1 **SEC. 2. FINDINGS.**

2 Congress finds as follows:

3 (1) The residents of the District of Columbia
4 are the only Americans who pay Federal income
5 taxes but are denied voting representation in the
6 House of Representatives and the Senate.

7 (2) The principle of one person, one vote re-
8 quires that residents who have met every element of
9 American citizenship should have every benefit of
10 American citizenship, including voting representation
11 in the House and the Senate.

12 (3) The residents of the District of Columbia
13 are twice denied equal representation, because they
14 do not have voting representation as other taxpaying
15 Americans do and are nevertheless required to pay
16 Federal income taxes unlike the Americans who live
17 in the territories.

18 (4) Despite the denial of voting representation,
19 Americans in the Nation's capital are second among
20 the residents of all States in per capita income taxes
21 paid to the Federal Government.

22 (5) Unequal voting representation in our rep-
23 resentative democracy is inconsistent with the found-
24 ing principles of the Nation and the strongly held
25 principles of the American people today.

1 **SEC. 3. REPRESENTATION IN CONGRESS FOR DISTRICT OF**
 2 **COLUMBIA.**

3 Notwithstanding any other provision of law, the com-
 4 munity of American citizens who are residents of the Dis-
 5 trict constituting the seat of government of the United
 6 States shall have full voting representation in the Con-
 7 gress.

8 **SEC. 4. EXEMPTION FROM TAX FOR INDIVIDUALS WHO ARE**
 9 **RESIDENTS OF THE DISTRICT OF COLUMBIA.**

10 (a) IN GENERAL.—Part III of subchapter B of chap-
 11 ter 1 of the Internal Revenue Code of 1986 (relating to
 12 items specifically excluded from gross income) is amended
 13 by inserting after section 138 the following new section:
 14 **“SEC. 138A. RESIDENTS OF THE DISTRICT OF COLUMBIA.**

15 **“(a) EXEMPTION FOR RESIDENTS DURING YEARS**
 16 **WITHOUT FULL VOTING REPRESENTATION IN CON-**
 17 **GRESS.**—This section shall apply with respect to any tax-
 18 able year during which residents of the District of Colum-
 19 bia are not represented in the House of Representatives
 20 and Senate by individuals who are elected by the voters
 21 of the District and who have the same voting rights in
 22 the House of Representatives and Senate as Members who
 23 represent States.

24 **“(b) RESIDENTS FOR ENTIRE TAXABLE YEAR.**—An
 25 individual who is a bona fide resident of the District of

1 Columbia during the entire taxable year shall be exempt
 2 from taxation under this chapter for such taxable year.

3 “(c) TAXABLE YEAR OF CHANGE OF RESIDENCE
 4 FROM DISTRICT OF COLUMBIA.—

5 “(1) IN GENERAL.—In the case of an individual
 6 who has been a bona fide resident of the District of
 7 Columbia for a period of at least 2 years before the
 8 date on which such individual changes his residence
 9 from the District of Columbia, income which is at-
 10 tributable to that part of such period of District of
 11 Columbia residence before such date shall not be in-
 12 cluded in gross income and shall be exempt from
 13 taxation under this chapter.

14 “(2) DEDUCTIONS, ETC. ALLOCABLE TO EX-
 15 CLUDED AMOUNTS NOT ALLOWABLE.—An individual
 16 shall not be allowed—

17 “(A) as a deduction from gross income any
 18 deductions (other than the deduction under sec-
 19 tion 151, relating to personal exemptions), or

20 “(B) any credit,
 21 properly allocable or chargeable against amounts ex-
 22 cluded from gross income under this subsection.

23 “(d) DETERMINATION OF RESIDENCY.—

24 “(1) IN GENERAL.—For purposes of this sec-
 25 tion, the determination of whether an individual is a

1 bona fide resident of the District of Columbia shall
 2 be made under regulations prescribed by the Sec-
 3 retary.

4 “(2) INDIVIDUALS REGISTERED TO VOTE IN
 5 OTHER JURISDICTIONS.—No individual may be
 6 treated as a bona fide resident of the District of Co-
 7 lumbia for purposes of this section with respect to
 8 a taxable year if at any time during the year the in-
 9 dividual is registered to vote in any other jurisdic-
 10 tion.”.

11 (b) NO WAGE WITHHOLDING.—Paragraph (8) of
 12 section 3401(a) of such Code is amended by adding at
 13 the end the following new subparagraph:

14 “(E) for services for an employer per-
 15 formed by an employee if it is reasonable to be-
 16 lieve that during the entire calendar year the
 17 employee will be a bona fide resident of the Dis-
 18 trict of Columbia unless section 138A is not in
 19 effect throughout such calendar year; or”.

20 (c) CLERICAL AMENDMENT.—The table of sections
 21 for part III of subchapter B of chapter 1 of such Code
 22 is amended by inserting after the item relating to section
 23 138 the following new item:

 “Sec. 138A. Residents of the District of Columbia.”

24 (d) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendments made by
2 this section shall apply to taxable years beginning
3 after the date of the enactment of this Act.

4 (2) WITHHOLDING.—The amendment made by
5 subsection (b) shall apply to remuneration paid after
6 the date of the enactment of this Act.

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